

**CONTRACT #15
RFS # 318.66-050**

**Department of Finance &
Administration**

Bureau of TennCare

**VENDOR:
Tennessee Behavioral Health,
Inc. (East Grand Region)**



RECEIVED
DEC 01 2006
FISCAL REVIEW

STATE OF TENNESSEE
BUREAU OF TENNCARE
310 Great Circle Road
NASHVILLE, TENNESSEE 37243

November 29, 2006

Mr. Jim White, Director
Fiscal Review Committee
8th Floor, Rachel Jackson Bldg.
Nashville, TN 37243

Attention: Leni Chick:

RE: Bureau of TennCare Contracts Submitted for Fiscal Review

Dear Mr. White:

The Department of Finance and Administration, Bureau of TennCare, is submitting for consideration by the Fiscal Review Committee amendment #6 to the Electronic Data Systems Corporation and EDS Information Service, L.L.C., RFS 318.65-080. This competitively bid contract provides Development, Implementation and Replacement of the TennCare Management Information System (TCMIS). This amendment comprises two major components of service, the extension of the current contract Facility Management of the TCMIS and additional services outside the scope of the original contract. The extension of current Facility Management services comprises 40% of the total amendment expenditures. These services include all of the daily operational components required to provide Medicare/Medicaid and Fee for service health care to the 1.1 million Tennessee residents enrolled in TennCare. In order to maintain these services to TennCare enrollees during the development, procurement and implementation of the required replacement contract for our current facility manager (EDS), we requested the extension of the current contract services in order to prepare for this transition. The remaining 60% of the expenditures include two categories of additional components to the Facility Management contract. The first addresses the federally mandated requirement that all health care providers within the United States possess a unique National Provider Identification (NPI) number. The Code of Federal Regulations requires the implementation of NPI by May 27, 2007. This requires TennCare to modify all systems in order to identify all providers using the NPI. This modification to our systems is funded by 90% Federal Funds Participation. The second component of additional services identifies areas outside the scope of services specifically listed in the original contract. These ancillary components of the amendment indirectly address areas TennCare is responsible for adhering to judicial decrees, as well as improved operational efficiencies.

Additionally, TennCare is submitting for review amendment #1 to QSource Center for Healthcare Quality, RFS 318.65-205, the competitively bid contractor providing External Quality Review of TennCare Managed Care Organizations, Behavioral Health Organization and the Dental Benefits Manager. This amendment provides an additional component of comprehensive quality assurance and quality improvement including elderly and disabled Home and Community Based (HCBS) programs in Tennessee. The elderly and disabled waiver programs include the Statewide HCBS Waiver for the Elderly and Disabled as well as the Program of All-Inclusive Care for the Elderly (PACE) Program. TennCare's Long Term Care Program is mandated by the Centers of Medicaid and Medicare Services (CMS) to provide quality assurance and quality improvement programs. We feel it is in the best interest of the State to rely on an already established contractor to perform these critical oversight functions until a competitively awarded contractor can be identified solely for the elderly and disabled. Funding to support this one year amendment is \$179,820.00.

The following Managed Care Organizations (MCOs) are being amended to provide extension of term as well as funding to support this extension. Additionally, the amendment provides the following modifications to current MCO language: (1) Fraud and Abuse language clarification, incorporating CMS requirements as they relate to enrollee hospice care; (2) In response to request from Fiscal Review, incorporates revisions to requirements of current Conflict of Interest language; (3) clarification of Systems Requests including Disaster Recovery Plan; (4) Pursuant to the provisions of the federal "Pro-Children Act of 1994" and the Tennessee "Children's Act for Clean Indoor Air of 1995," includes language prohibiting the MCO or any provider from smoking tobacco products within any indoor premises in which services are provided pursuant to individuals under the age of eighteen (18) years; (5) Prohibition of Illegal Immigrants, per the requirements of Public Acts of 2006, Chapter Number 878, of the state of Tennessee, addressing the use of illegal immigrants in the performance of services to the state of Tennessee and (6) revised reimbursement requirements for non-participating emergency providers in accordance with the Deficit Reduction Act.

Volunteer State Health Plan, Inc. (TennCare Select)	RFS 318.66-026	FA-02-14632-16
Volunteer State Health Plan, Inc.	RFS 318.66-028	FA-02-14859-19
Memphis Managed Care Corp (TLC)	RFS 318.66-030	FA-02-14861-02
Unison Health Plan of TN, Inc.	RFS 318.66-017	FA-02-14858-12
Preferred Health Plan	RFS 318.66-032	FA-02-14863-11
John Deere	RFS 318.66-029	FA-02-14860-11
Windsor Health Plan of TN, Inc. (term extension for 3 mos. only)	RFS 318.66-033	FA-02-14864-11
UAHC Health Plan of TN, Inc. (term extension for 6 mos. only)	RFS 318.66-027	FA-02-14862-12

The following two new competitively awarded Middle Tennessee MCOs are being amended to include the following modifications: (1) Require submission of Fraud and Abuse Compliance Plan for review and approval; (2) Clarification of reimbursement requirements of Hospice benefit package; (3) additional reporting requirements to support utilization activities; (4) clean up language of Deficit Reduction Act (payment requirements for out-of-plan emergency services) to refer to rules for payment terms in accordance with DRA; (5) Clarification of TPL/Subrogation reporting; addition of PCP, MRI, CT, and PET reporting; (6) Strengthen/Broaden language to require notice of any legal action against MCC or parent company; (7) Clarify that State does not have liability for costs beyond administrative fee, including liquidated damages, penalties, etc. (8) added State's language as required by new legislation that prohibits illegal immigrants from performing services of state contracts, and (9) revisions made for consistency throughout the agreement.

United HealthCare Plan of the River Valley, Inc.	RFS 318.66-051	FA-07-16937-01
AMERIGROUP Tennessee, Inc.	RFS 318.66-052	FA-07-16936-01

In addition to the amendments listed above, TennCare is also submitting for review the following Behavioral Health Organization (BHO) amendments that provides the following modifications to BHO language: (1) New reporting requirements for Institutions for Mental Disease (IMD); (2) Additional language reinforcing requirements for EPSDT outreach and responsibility of the BHOs for services delegated to their providers; (3) Add requirement of Fraud and Abuse Compliance Plan for review and approval; (4) Clean up Deficit Reduction Act language to refer to rules for payment terms in accordance with DRA; (5) Revise Conflict of Interest language to be consistent with Middle TN RFP Pro Forma in accordance with agreed upon language with Fiscal Review; (6) Clarification of TPL reporting and IS/Disaster recovery reporting; (7) strengthen language to require notice of any legal action against MCC or parent company; (8) added language mandated by new legislation prohibiting use of illegal immigrants for performance of state contracts; (9) clarify that state has no liability for costs beyond administrative fee,

Mr. Jim White
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including liquidated damages, penalties, etc.; (10) general housekeeping revisions made for consistency throughout the agreement.

Premier Behavioral Health Systems Of Tennessee, LLC	RFS 318.66-022	FA-01-14662-17
Tennessee Behavioral Health, Inc.	RFS 318.66-023	FA-01-14661-16
Tennessee Behavioral Health, Inc. (East Tennessee Region)	RFS 318.66-050	FA-05-16089-07

The Bureau of TennCare would greatly appreciate the consideration and approval of these amendments by the Fiscal Review Committee.

Sincerely,



Scott Pierce
Chief Financial Officer

Cc: Darin J. Gordon, Deputy Commissioner
Alma Chilton

REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED

Commissioner of Finance & Administration

Date:

Each of the request items below indicates specific information that must be individually detailed or addressed as required.
A REQUEST CAN NOT BE CONSIDERED IF INFORMATION PROVIDED IS INCOMPLETE, NON-RESPONSIVE, OR DOES NOT
CLEARLY ADDRESS EACH OF THE REQUIREMENTS INDIVIDUALLY AS REQUIRED.

RFS # 318.66-050

STATE AGENCY NAME : Department of Finance and Administration
Bureau of TennCareSERVICE CAPTION : Behavioral Health Organizations Providing Medically Necessary Behavioral Services to the
TennCare/Medicaid Population in Tennessee East Grand Region

CONTRACT # FA-05-16089-00

PROPOSED AMENDMENT # 7

CONTRACTOR : Tennessee Behavioral Health, Inc.

CONTRACT START DATE : 07/01/2004

CURRENT, LATEST POSSIBLE END DATE : 06/30/2007
(including ALL options to extend)

CURRENT MAXIMUM LIABILITY : \$458,166,722.00

LATEST POSSIBLE END DATE WITH PROPOSED AMENDMENT : 06/30/2007
(including ALL options to extend)TOTAL MAXIMUM COST WITH PROPOSED AMENDMENT : \$458,166,722.00
(including ALL options to extend)APPROVAL CRITERIA : (select one) ☒ use of Non-Competitive Negotiation is in the best interest of the state☐ only one uniquely qualified service provider able to provide the service

ADDITIONAL REQUIRED REQUEST DETAILS BELOW (address each item immediately following the requirement text)

(1) description of the proposed additional service and amendment effects :

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This amendment provides the following modifications to BHO language: (1) New reporting requirements for Institutions for Mental Disease (IMD) to enable TennCare to improve tracking of out-of-state utilization; (2) Additional language reinforcing requirements for EPSDT outreach and responsibility of the BHOs for services delegated to their providers; (3) Add requirement of Fraud and Abuse Compliance Plan for review and approval; (4) Clean up Deficit Reduction Act language to refer to rules for payment terms in accordance with DRA; (5) Revise Conflict of Interest language to be consistent with Middle TN RFP Pro Forma in accordance with agreed upon language with Fiscal Review; (6) Clarification of TPL reporting and IS/Disaster recovery reporting; (7) strengthen/broaden language to require notice of any legal action againsts MCC or parent company; (8) added State's language as provided for by new legislation prohibiting use of illegal immigrants for performance of state contracts; (9) clarify state has no liability for costs beyond administrative fee, including liquidated damages, penalties, etc.; (10) Places responsibility for middle Tennessee adult crisis service telephone number with the contractor in anticipation of multiple mental health contractors in Middle Tennessee in 2007; and (11) general housekeeping revisions made for consistency throughout the agreement.

(2) explanation of need for the proposed amendment :

Update related language to enforce new scopes as well as clarify current language to comply with MCOs.

(3) name and address of the proposed contractor's principal owner(s) :

(not required if proposed contractor is a state education institution)

Dr. Russ Petrella, Chief Operating Officer
Magellan Behavioral Health
199 Pomeroy Road, 3rd Floor
Parsippany, New Jersey 07054

(4) documentation of OIR endorsement of the Non-Competitive procurement request :

(required only if the subject service involves information technology)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

(5) documentation of Department of Personnel endorsement of the Non-Competitive procurement request :

(required only if the subject service involves training for state employees)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

(6) description of procuring agency efforts to identify reasonable, competitive, procurement alternatives rather than to use non-competitive negotiation :

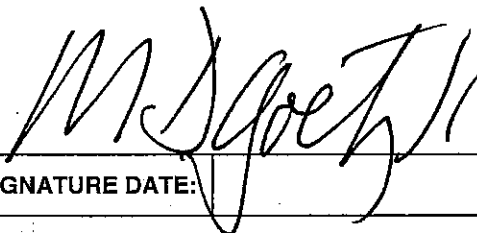
This contract for Behavioral Health Services was identified by a competitive Request for Proposal method. This amendment to the existing contract will ensure that services to recipients will continue without interruption and that the language will reflect the most recent changes as reflected in item (1) above.

(7) justification of why the F&A Commissioner should approve a Non-Competitive Amendment :

The Bureau of TennCare is currently modifying all of the BHO contracts to provide specific language changes for clarity and compliance with Fiscal Review as well as CMS. These BHO contracts provide necessary Behavioral Health Services to the TennCare/Medicaid population and TennCare would greatly appreciate approval of this amendment by the Commissioner of Finance and Administration.

AGENCY HEAD REQUEST SIGNATURE:

(must be signed by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR — signature by an authorized signatory will be accepted only in documented exigent circumstances)



SIGNATURE DATE:

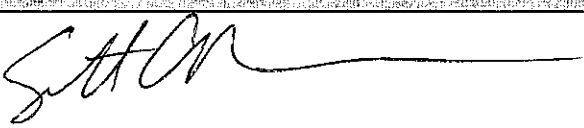
CONTRACT SUMMARY SHEET

RFS Number:	318.66-050	Contract Number:	FA-05-16089-07
State Agency:	Department of Finance and Administration	Division:	TennCare
Contractor		Contractor Identification Number	
Tennessee Behavioral Health, Inc.		<input checked="" type="checkbox"/> X	<input type="checkbox"/> V-
		<input type="checkbox"/>	<input type="checkbox"/> C-
621621636 01			

Service Description

Behavioral Health Services to Enrollees in the TennCare Partners Program in Tennessee East Grand Region

Contract Begin Date				Contract End Date			
7/1/2004				6/30/2007			
Allotment Code	Cost Center	Object Code	Fund	Grant	Grant Code	Subgrant Code	
318.66	135	134	11	on STARS			
FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount include ALL amendments		
2005	\$59,243,280.00	\$108,632,276.00			\$167,875,556.00		
2006	\$51,144,466.00	\$91,717,000.00			\$142,861,466.00		
2007	\$52,779,833.00	\$94,649,867.00			\$147,429,700.00		
					\$0.00		
					\$0.00		
Total:	\$163,167,579.00	\$294,999,143.00	\$0.00	\$0.00	\$458,166,722.00		

CFDA Number:	93.778 Department of Health and Human Services	Check the box (below) ONLY if the answer is YES:	
State Fiscal Contact		Is the Contractor a SUBRECIPIENT? (per OMB A-133)	<input checked="" type="checkbox"/> X
Name:	Scott Pierce	Is the Contractor a VENDOR? (per OMB A-133)	<input type="checkbox"/>
Address:	310 Great Circle Road	Is the Fiscal Year Funding STRICTLY LIMITED?	<input type="checkbox"/>
Phone:	615-507-6415	Is the Contractor on STARS?	<input type="checkbox"/>
Procuring Agency Budget Officer Signature		Is the Contractor's FORM W-9 ATTACHED?	<input type="checkbox"/>
		Is the Contractors Form W-9 Filed with Accounts?	<input type="checkbox"/>

COMPLETE FOR ALL AMENDMENTS (only)

		Base Contract & Prior Amendments	This Amendment ONLY
End Date >		6/30/2007	
FY:	2005	\$167,875,556.00	
FY:	2006	\$142,861,466.00	
FY:	2007	\$147,429,700.00	\$0.00
FY:			
FY:			
FY:			
Totals:		\$458,166,722.00	\$0.00

Funding Certification

Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.

AMENDMENT NUMBER 7

TO PROVIDER RISK CONTRACT # FA-05-16089

BETWEEN

**THE STATE OF TENNESSEE DEPARTMENT OF MENTAL HEALTH AND
DEVELOPMENTAL DISABILITIES**

AND

**TENNESSEE BEHAVIORAL HEALTH, INC.
IN THE EAST TENNESSEE GRAND REGION**

For and in consideration of the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree to clarify and/or amend the Provider Risk Agreement by and between the State of Tennessee Department of Mental Health and Developmental Disabilities, hereinafter referred to as **TDMHDD**, and Tennessee Behavioral Health, Inc. hereinafter referred to as the **Contractor**, as follows:

Titles and numbering of paragraphs used herein are for the purpose of facilitating use of reference only and shall not be construed to infer a contractual construction of language.

1. Section 3.1.12.2.1 shall be amended by adding new text to the end of the existing text so that the amended Section 3.1.12.2.1 shall read as follows:

3.1.12.2.1 Fraud and Abuse Compliance Plan

The CONTRACTOR shall have a written Fraud and Abuse compliance plan. A paper and electronic copy of the plan shall be provided to TENNCARE. The CONTRACTOR's specific internal controls and policies and procedures shall be described in a comprehensive written plan and be maintained on file with the CONTRACTOR and submitted for review to TENNCARE within thirty (30) calendar days of the effective date of this Agreement and annually thereafter. TENNCARE shall provide notice of approval, denial, or modification to the CONTRACTOR within thirty (30) calendar days of receipt. The CONTRACTOR shall make any requested updates or modifications available for review to TENNCARE as requested by TENNCARE and/or the TennCare Program Integrity Unit within thirty (30) calendar days of a

request. The State shall not transfer their law enforcement functions to the CONTRACTOR.

2. Section 3.2.4.1 shall be amended by deleting and replacing the fourth sentence so that the amended Section 3.2.4.1 shall read as follows:

3.2.4.1 The CONTRACTOR's plan shall include provisions governing utilization of and payment by the **CONTRACTOR** for emergency medical services received by an enrollee from non-contract providers, regardless of whether such emergency services are rendered within or outside the community service area covered by the plan. Coverage of emergency medical services shall not be subject to prior authorization by the **CONTRACTOR** and shall be consistent with federal requirements regarding post-stabilization services, including but not limited to, 42 CFR Section 438.114(c)(1)(ii)(A). Utilization of and payments to non-contract providers may, at the CONTRACTORS option, be limited to the treatment of emergency medical conditions, including post-stabilization care that includes medically necessary services rendered to the enrollee until such time as he/she can be safely transported to an appropriate contract service location. Payment amounts shall be in accordance with TENNCARE rules and regulations for emergency out-of-plan services. Payment by the CONTRACTOR for properly documented claims for emergency medical services rendered by a non-contract provider shall be made within thirty (30) calendar days of receipt of a clean claim by the CONTRACTOR.

3. Section 3.10.1.1. Time Tables, shall be amended by adding a due date for Semi-Annual Reports which shall read as follows:

Semi-Annual Reports	January 31 and July 31.
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4. A new Section 3.10.18, IMD Out-of-State Report, shall be added that reads as follows:

3.10.18 IMD Out-of-State Report

The **Contractor** shall report monthly by the 5th day of the following month to **TDMHDD** on the use of Institutions for Mental Diseases (IMD) utilized outside of the state of Tennessee. The report shall be in a format prescribed by **TDMHDD**.

5. A new Section 3.10.19 shall be added that reads as follows:

3.10.19 Payment for Out-of-Plan Emergency Providers

The CONTRACTOR shall report to TENNCARE the average payment rate paid to out-of-plan emergency providers by January 31 of each calendar year.

6. A new Section 3.10.20 shall be added that reads as follows:

Business Continuity and Disaster Recovery Reports

The CONTRACTOR shall submit a baseline *Business Continuity and Recovery (BC-DR) Plan* for review and approval as specified by TENNCARE. The CONTRACTOR shall communicate proposed modifications to the BC_DR plan at least fifteen (15) calendar days prior to their proposed incorporation. Such modifications shall be subject to review and approval by TENNCARE.

7. A new Section 3.10.21 shall be added that reads as follows:

3.10.21 Cost Avoidance Value Reporting

Cost Avoidance Value Reporting. The CONTRACTOR shall report all claim adjusted amounts due to TPL coverage or Medicare coverage on a frequency and in a format and media described by TENNCARE. The CONTRACTOR shall calculate cost savings in categories described by TENNCARE.

8. A new Section 3.12.7 shall be added that reads as follows:

The CONTRACTOR shall conduct diagnosis and trauma code editing to identify potential subrogation related claims. TENNCARE approved questionnaires or other type TENNCARE approved forms shall be used to gather data and information pertinent to potential subrogation cases. TENNCARE shall determine a threshold amount for which a subrogation case should be pursued. Subrogation cases must be approved in writing by TENNCARE prior to the CONTRACTOR presenting offers or executing settlements.

9. A new Section 3.15.22 shall be added which shall read as follows:

Business Continuity and Disaster Recovery (BC-DR) Plan

- (a) Regardless of the architecture of its Systems, the CONTRACTOR shall develop and be continually ready to invoke a BC-DR plan that is reviewed and prior approved by TENNCARE.
- (b) At a minimum the CONTRACTOR's BC-DR plan shall address the following scenarios: (a) the central computer installation and resident software are destroyed or damaged, (b) System interruption or failure resulting from network, operating hardware, software, or operational errors that compromises the integrity of transactions that are active in a live system at the time of the outage, (c) System interruption or failure resulting from network, operating hardware, software or operational errors that compromises the integrity of data maintained in a live or archival system, and (d) System interruption or failure resulting from network, operating hardware, software or operational errors that does not compromise the integrity of transactions or data maintained in a live or archival system but does prevent access to the System, i.e., causes unscheduled System unavailability.
- (c) The CONTRACTOR's BC-DR plan shall specify projected recovery times and data loss for mission-critical Systems in the event of a declared disaster.
- (d) The CONTRACTOR shall periodically, but no less than annually, test its BC-DR plan through simulated disasters and lower level failures in order to demonstrate to TENNCARE that it can restore System functions.
- (e) The CONTRACTOR shall submit a baseline BC-DR plan to TENNCARE and communicate proposed modifications as required in Section 3.10.20.

10. Section 3.13 shall be amended so that the new Section 3.13 shall read as follows:

3.13 Notification of Legal Action Against the Contractor

The **Contractor** shall give TennCare, the Commissioner of **TDMHDD** and to the Deputy Commissioner of the TDCI TennCare Oversight Division, immediate notification in writing by Certified Mail of any administrative or legal action or complaint filed regarding any claim in law or equity made against the **Contractor** or an affiliate of the CONTRACTOR, including but not limited to a parent company; by a provider, **Enrollee**, subcontractor or any other party, including but not limited to notice of any arbitration proceedings instituted between a provider and the **Contractor**. Records of persons with serious emotional disturbance or mental illness must be maintained in conformity with Tennessee Code Annotated, §33-3-101.

Records of persons whose confidentiality is protected by 42 CFR Part 2 must be maintained in conformity with that rule or Tennessee Code Annotated, §33-3-103, whichever is more stringent. The **Contractor** shall ensure all tasks related to the provider agreement are performed in accordance with the terms of this CONTRACT.

11. A new 4th paragraph shall be added to Section 4.7.1 that reads as follows:

The payments specified in Section 4.7 of this Agreement, as amended, shall represent payment in full. TennCare shall not reimburse CONTRACTOR for any costs, liquidated damages and/or penalties incurred by the CONTRACTOR and which result from actions or inactions, including penalties associated with CONTRACTOR's failure to timely pay any and all expenses, fees, taxes and other regulatory/ministerial costs associated with the requirements of operating as an HMO in this state. The taxes, fees, expenses, and other regulatory/ministerial costs referenced herein shall include but not be limited to premium taxes associated with any and all obligations required by the Tennessee Health Maintenance Organization Act of 1986 codified at Tennessee Code Annotated § 56-32-201 et seq. or any subsequent amendments thereto and/or the Tennessee Prepaid Limited Health Services Act of 200 codified at Tennessee Code Annotated § 56-51-101 et seq. or any subsequent amendments thereto.

12. A new Section 4.7.8, Crisis Toll Free Number, shall be added that reads as follows:

4.7.8 Crisis Toll Free Number

The Contractor shall operate a statewide toll free number for adult crisis services. The toll free number service shall include the Middle Tennessee Grand Region and the Contractor shall be reimbursed \$25,000 for the period April 1, 2007 through June 30, 2007. In the event the Middle Tennessee Grand Region census increases above 2,300,000 citizens, based on the United States Census Bureau reports, the Contractor shall receive an additional five-percent (5%) payment for each additional 100,000 individuals. In the event the Middle Tennessee Grand Region census decreases below 2,200,000 citizens, based on the United States Census Bureau reports, the Contractor's payment shall be reduced by five-percent (5%) for each reduction of 100,000 individuals.

13. Section 6.5 Conflict of Interest shall be deleted and replaced in its entirety so that the amended Section 6.5 shall read as follows:

6.5 *Conflicts of Interest*

- 6.5.1 The CONTRACTOR warrants that no part of the total Agreement amount provided herein shall be paid directly, indirectly or through a parent organization, subsidiary or an affiliate organization to any state or federal officer or employee of the State of Tennessee or any immediate family member of a state or federal officer or employee of the State of Tennessee as wages, compensation, or gifts in exchange for acting as officer, agent, employee, subcontractor, or consultant to the CONTRACTOR in connection with any work contemplated or performed relative to this Agreement unless disclosed to the Commissioner, Tennessee Department of Finance and Administration. For purposes of Section 6.13 and its subparts of this contract, "immediate family member" shall mean a spouse or minor child(ren) living in the household.

- 6.5.1.1 Quarterly, by January 30, April 30, July 30, and October 30 each year, or at other times or intervals as designated by the Deputy Commissioner of the Bureau of TennCare,

disclosure shall be made by the CONTRACTOR to the Deputy Commissioner of the Bureau of TennCare, Department of Finance and Administration in writing. The disclosure shall include, but not be limited to, the following:

- 6.5.1.1.1 A list of any state or federal officer or employee of the State of Tennessee as well as any immediate family member of a state or federal officer or employee of the State of Tennessee who receives wages or compensation from the CONTRACTOR; and
- 6.5.1.1.2 A statement of the reason or purpose for the wages or compensation. The disclosures shall be made by the CONTRACTOR and reviewed by TENNCARE in accordance with Standard Operating Procedures and the disclosures shall be distributed to, amongst other persons, entities and organizations, the Commissioner, Tennessee Department of Finance and Administration, the Tennessee Ethics Commission, the TennCare Oversight Committee and the Fiscal Review Committee.
- 6.5.1.2 This Agreement may be terminated by TENNCARE and/or the CONTRACTOR may be subject to sanctions, including liquidated damages, under this Agreement if it is determined that the CONTRACTOR, its agents or employees offered or gave gratuities of any kind to any state or federal officials or employees of the State of Tennessee or any immediate family member of a state or federal officer or employee of the State of Tennessee if the offering or giving of said gratuity is in contravention or violation of state or federal law. It is understood by and between the parties that the failure to disclose information as required under Section 6.13 of this Agreement may result in termination of this Agreement and the CONTRACTOR may be subject to sanctions, including liquidated damages in accordance with Section 5.3 of this Agreement. The CONTRACTOR certifies that no member of or delegate of Congress, the United States General Accounting Office, DHHS, CMS, or any other federal agency has or will benefit financially or materially from this Agreement.

6.5.2 The CONTRACTOR shall include language in all subcontracts and provider agreements and any and all agreements that result from this Agreement between CONTRACTOR and TENNCARE to ensure that it is maintaining adequate internal controls to detect and prevent conflicts of interest from occurring at all levels of the organization. Said language may make applicable the provisions of Section 6.13 to all subcontracts, provider agreements and all agreements that result from the Agreement between the CONTRACTOR and TENNCARE.

14. A new Section 6.23, Prohibition of Illegal Immigrants shall be added that reads as follows:

Prohibition of Illegal Immigrants. The requirements of Public Acts of 2006, Chapter Number 878, of the state of Tennessee, addressing the use of illegal immigrants in the performance of any contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.

- a. The Contractor hereby attests, certifies, warrants, and assures that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document as Attachment II, hereto, semi-annually during the period of this Contract. Such attestations shall be maintained by the contractor and made available to state officials upon request.
- b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the period of this Contract, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work relative to this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work relative to this Contract. Attestations obtained from such subcontractors shall be maintained by the contractor and made available to state officials upon request.
- c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Said records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
- d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Public Chapter 878 of 2006 for

acts or omissions occurring after its effective date. This law requires the Commissioner of Finance and Administration to prohibit a contractor from contracting with, or submitting an offer, proposal, or bid to contract with the State of Tennessee to supply goods or services for a period of one year after a contractor is discovered to have knowingly used the services of illegal immigrants during the performance of this contract.

- e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not either a United States citizen, a Lawful Permanent Resident, or a person whose physical presence in the United States is authorized or allowed by the federal Department of Homeland Security and who, under federal immigration laws and/or regulations, is authorized to be employed in the U.S. or is otherwise authorized to provide services under the Contract.
15. D.1, Provider Enrollment Reporting, shall be amended by adding "TennCare Identification Number" to the list of required fields for the Provider Network File.
16. A new Attachment I shall be added that reads as follows:

ATTACHMENT I

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	
CONTRACTOR LEGAL ENTITY NAME:	
FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)	

The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.

**SIGNATURE &
DATE:**

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. If said individual is not the chief executive or president, this document shall attach evidence showing the individual's authority to contractually bind the Contractor.

All of the provisions of the original Agreement not specifically deleted or modified herein shall remain in full force and effect. Unless a provision contained in this Amendment specifically indicates a different effective date, for purposes of the provisions contained herein, this Amendment shall become effective January 1, 2007, or as of the date it is approved by the U.S. Department of Health and Human Services, Centers for Medicare & Medicaid Services.

IN WITNESS THEREOF, the parties have by their duly authorized representatives set their signature.

CONTRACTOR:

Russell C. Petrella, Ph.D.
President
TENNESSEE BEHAVIORAL HEALTH, INC.

DATE

**TENNESSEE DEPARTMENT OF MENTAL HEALTH
AND DEVELOPMENTAL DISABILITIES:**

Virginia Trotter Betts, MSN, JD, RN, FAAN
Commissioner

DATE

**TENNESSEE DEPARTMENT OF
FINANCE AND ADMINISTRATION:**

M. D. Goetz, Jr.
Commissioner

DATE

APPROVED:

**TENNESSEE DEPARTMENT OF
FINANCE AND ADMINISTRATION:**

M. D. Goetz, Jr.
Commissioner

DATE

COMPTROLLER OF TREASURY:

John G. Morgan
Comptroller of Treasury

DATE


CONTRACT SUMMARY SHEET

RFS Number:	318.66-050	Contract Number:	FA-05-16089-06
State Agency:	Department of Finance and Administration	Division:	TennCare
Contractor		Contractor Identification Number	
Tennessee Behavioral Health, Inc.		X	V-
		C-	621621636 01

Service Description

Behavioral Health Services to Enrollees in the TennCare Partners Program in Tennessee East Grand Region

Contract Begin Date				Contract End Date			
7/1/2004				6/30/2007			
Allotment Code	Cost Center	Object Code	Fund	Grant	Grant Code	Subgrant Code	
318.66	135	134	11	on STARS			
FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount Include ALL amendments		
2005	\$59,243,280.00	\$108,632,276.00			\$167,875,556.00		
2006	\$51,144,466.00	\$91,717,000.00			\$142,861,466.00		
2007	\$52,779,833.00	\$94,649,867.00			\$147,429,700.00		
					\$0.00		
					\$0.00		
Total:	\$163,167,579.00	\$294,999,143.00	\$0.00	\$0.00	\$458,166,722.00		

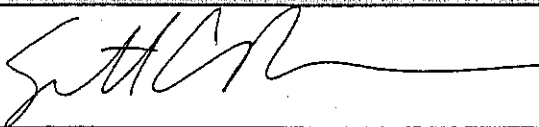
CFDA Number:	93.778 Department of Health and Human Services	Check the box (below) ONLY if the answer is YES:	
State Fiscal Contact		Is the Contractor a SUBRECIPIENT? (per OMB A-133)	X
Name:	Scott Pierce	Is the Contractor a VENDOR? (per OMB A-133)	
Address:	310 Great Circle Road	Is the Fiscal Year Funding STRICTLY LIMITED?	
Phone:	615-507-6415	Is the Contractor on STARS?	
Procuring Agency Budget Officer Signature		Is the Contractor's FORM W-9 ATTACHED?	
		Is the Contractors Form W-9 Filed with Accounts?	

COMPLETE FOR ALL AMENDMENTS (only)

		Base Contract & Prior Amendments	This Amendment ONLY
End Date >		6/30/2007	
FY:	2005	\$167,875,556.00	
FY:	2006	\$142,861,466.00	
FY:	2007	\$147,429,700.00	\$0.00
FY:			
FY:			
FY:			
Totals:		\$458,166,722.00	\$0.00

Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.

CONTRACT SUMMARY SHEET

RFS Number:		318.66-050		Contract Number:		FA-05-16089-05	
State Agency:		Department of Finance and Administration		Division:		TennCare	
Contractor				Contractor Identification Number			
Tennessee Behavioral Health, Inc.				X	V-	621621636 01	
					C-		
Service Description							
Behavioral Health Services to Enrollees in the TennCare Partners Program in Tennessee East Grand Region							
Contract Begin Date				Contract End Date			
7/1/2004				6/30/2007			
Allotment Code	Cost Center	Object Code	Fund	Grant	Grant Code	Subgrant Code	
318.66	135	134	11	on STARS			
FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount Include ALL amendments		
2005	\$59,243,280.00	\$108,632,276.00			\$167,875,556.00		
2006	\$51,144,466.00	\$91,717,000.00			\$142,861,466.00		
2007	\$52,779,833.00	\$94,649,867.00			\$147,429,700.00		
					\$0.00		
					\$0.00		
Total:	\$163,167,579.00	\$294,999,143.00	\$0.00	\$0.00	\$458,166,722.00		
CFDA Number: 93.778 Department of Health and Human Services				Check the box (below) ONLY if the answer is YES:			
State Fiscal Contact				Is the Contractor a SUBRECIPIENT? (per OMB A-133)			
Name: Scott Pierce				Is the Contractor a VENDOR? (per OMB A-133)			
Address: 310 Great Circle Road				Is the Fiscal Year Funding STRICTLY LIMITED?			
Phone: 615-507-6415				Is the Contractor on STARS?			
Procuring Agency Budget Officer Signature				Is the Contractor's FORM W-9 ATTACHED?			
				Is the Contractor's Form W-9 Filed with Accounts?			
				Funding Certification			
COMPLETE FOR ALL AMENDMENTS (only)				Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.			
Base Contract & Prior Amendments		This Amendment ONLY		<div style="text-align: center;"> <p>RECEIVED</p> <p>JUL 19 2006</p> <p>FISCAL REVIEW</p> </div> <div style="position: absolute; right: 0; top: 0; transform: rotate(90deg); font-size: small;"> <p>2006 JUL 11 PM 2:34</p> <p>COMPTROLLER'S OFFICE</p> <p>MANAGEMENT SERVICES</p> </div>			
End Date: 6/30/2007							
FY: 2005	\$167,875,556.00						
FY: 2006	\$142,861,466.00						
FY: 2007		\$147,429,700.00					
FY:							
FY:							
Totals:	\$310,737,022.00	\$147,429,700.00					

CONTRACT SUMMARY SHEET

RFS Number:	318.66-050	Contract Number:	FA-05-16089-04
State Agency:	Department of Finance and Administration	Division:	TennCare
Contractor:		Contractor Identification Number:	
Tennessee Behavioral Health, Inc.		X	V-
			C-
621621636 01			

Service Description

Behavioral Health Services to Enrollees in the TennCare Partners Program in Tennessee East Grand Region

Contract Begin Date:	Contract End Date:
7/1/2004	6/30/2007

Allotment Code	Cost Center	Object Code	Fund	Grant	Grant Code	Subgrant Code
318.66	133	134	11	on STARS		

FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount include ALL amendments
2005	\$59,243,280.00	\$108,632,276.00			\$167,875,556.00
2006	\$51,144,466.00	\$91,717,000.00			\$142,861,466.00
					\$0.00
					\$0.00
Total:	\$110,387,746.00	\$200,349,276.00	\$0.00	\$0.00	\$310,737,022.00

CFDA Number:	93.778 Department of Health and Human Services	Check the box (below) ONLY if the answer is YES:
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State Fiscal Contact:		Is the Contractor a SUBRECIPIENT? (per OMB A-133)	X
Name:	Scott Pierce	Is the Contractor a VENDOR? (per OMB A-133)	
Address:	310 Great Circle Road	Is the Fiscal Year Funding STRICTLY LIMITED?	
Phone:	615-507-6415	Is the Contractor on STARS?	

Procuring Agency Budget Officer Signature	Is the Contractor's FORM W-9 ATTACHED?
	Is the Contractor's Form W-9 Filed with Accounts?

Funding Certification

Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.

COMPLETE FOR ALL AMENDMENTS (only)		
End Date >	Base Contract & Prior Amendments	This Amendment ONLY
6/30/2006	6/30/2007	
FY 2005	\$167,875,556.00	
FY 2006	\$146,861,466.00	<\$4,000,000.00>
FY		
FY		
FY		
FY		
Totals:	\$314,737,022.00	<\$4,000,000.00>

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OFFICE OF
MANAGEMENT SERVICES

CONTRACT SUMMARY SHEET

RFS Number:	318.66-050	Contract Number:	FA-05-16089-02
State Agency:	Department of Finance and Administration	Division:	TennCare
Contractor:		Contractor Identification Number:	
Tennessee Behavioral Health, Inc.		X	V-
			C-
621621636 01			

Service Description

Behavioral Health Services to Enrollees in the TennCare Partners Program in Tennessee East Grand Region

Contract Begin Date:	Contract End Date:
7/1/2004	6/30/2006

Allocation Code	Cost Center	Object Code	Fund	Grant	Grant Code	Subgrant Code
318.66	133	134	11	on STARS		
FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount Include All Amendments	
2005	\$59,243,280.00	\$108,632,276.00			\$167,875,556.00	
2006	\$59,243,280.00	\$108,632,276.00			\$167,875,556.00	
					\$0.00	
					\$0.00	
Total	\$118,486,560.00	\$217,264,552.00	\$0.00	\$0.00	\$335,751,112.00	

CFDA Number:	93.778 Department of Health and Human Services	Check the box (below) ONLY if the answer is YES:
State Fiscal Contact:		Is the Contractor a SUBRECIPIENT? (per OMB A-133)
Name: Scott Pierce		Is the Contractor a VENDOR? (per OMB A-133)
Address: 729 Church Street Nashville, TN		Is the Fiscal Year Funding STRICTLY LIMITED?
Phone: 615-532-1362		Is the Contractor on STARS?
Procuring Agency Budget Officer Signature:		Is the Contractor's FORM W-9 ATTACHED?
		Is the Contractor's Form W-9 Filed with Accounts?

COMPLETE FOR ALL AMENDMENTS (only)

	Base Contract & Prior Amendments	This Amendment ONLY
End Date >	12/31/2005	6/30/2006
FY	2005	\$167,875,556.00
FY	2006	\$86,710,754.00
FY		
FY		
FY		
FY		
Totals	\$254,586,310.00	\$81,164,802.00

Funding Certification
Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.

CONTRACT SUMMARY SHEET

RFS Number:	318.66-050	Contract Number:	FA-05-16089-01
State Agency:	Department of Finance and Administration	Division:	TennCare
Contractor:		Contractor Identification Number:	
Tennessee Behavioral Health, Inc.		X	V-
			C-
		621621636 01	

Service Description

Behavioral Health Services to Enrollees in the TennCare Partners Program in Tennessee East Grand Region

Contract Begin Date:	Contract End Date:
7/1/2004	12/31/2005

Allotment Code:	Cost Center:	Object Code:	Fund:	Grant:	Grant Code:	Subgrant Code:
318.66	133	134	11	on STARS		

FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount Include ALL Amendments
2005	\$59,243,280.00	\$108,632,276.00			\$167,875,556.00
2006	\$30,602,400.00	\$56,108,354.00			\$86,710,754.00
					\$0.00
					\$0.00
Total	\$89,845,680.00	\$164,740,630.00	\$0.00	\$0.00	\$254,586,310.00

CFDA Number:	93.778 Department of Health and Human Services	Check the box (below) ONLY if the answer is YES:	
State Fiscal Contact:		Is the Contractor a SUBRECIPIENT? (per OMB A-133)	X
Name:	Scott Pierce	Is the Contractor a VENDOR? (per OMB A-133)	
Address:	729 Church Street Nashville, TN	Is the Fiscal Year Funding STRICTLY LIMITED?	
Phone:	615-532-1362	Is the Contractor on STARS?	
Procuring Agency Budget Officer Signature		Is the Contractor's FORM W-9 ATTACHED?	
		Is the Contractor's Form W-9 Filed with Accounts?	


COMPLETE FOR ALL AMENDMENTS (only)

	Base Contract & Prior Amendments	This Amendment ONLY
End Date >	12/31/2005	
FY 2005	\$173,421,508.00	-\$5,545,952.00
FY 2006	\$86,710,754.00	
FY		
FY		
FY		
FY		
Totals	\$260,132,262.00	-\$5,545,952.00

Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.

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JUN 8 2005

C O N T R A C T S U M M A R Y S H E E T

RFS Number:	318.66-050	Contract Number:	FA-05-16789-20
State Agency:	Department of Finance and Administration	Division:	Bureau of TennCare
Contractor:		Contractor Identification Number:	
Tennessee Behavioral Health, Inc.		V- C-	621621636 01

Service Description

Behavioral Health Services to Enrollees in the TennCare Partners Program in Tennessee East Grand Region

Contract Begin Date:	Contract End Date:
07/01/2004	12/31/2005

Allotment Code	Cost Center	Object Code	Fund	Grant	Grant Code	Subgrant Code
318.66	133	134	11	X on STARS		

FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount (including ALL amendments)
2005	\$61,204,800.00	\$112,216,708.00			\$173,421,508.00
2006	\$30,602,400.00	\$56,108,354.00			\$86,710,754.00
Total:	\$91,807,200.00	\$168,325,062.00			\$260,132,262.00

CFDA #	93.778	Check the box ONLY if the answer is YES:
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State Fiscal Contact	Is the Contractor a SUBRECIPIENT? (per OMB A-133)
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Name: Dean Daniel Address: 729 Church Street Phone: Nashville, TN (615) 532-1362	Is the Contractor a VENDOR? (per OMB A-133) Is the Fiscal Year Funding STRICTLY LIMITED?
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Procuring Agency Budget Officer Approval Signature	Is the Contractor on STARS?
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8/6/04	Is the Contractor's FORM W-9 ATTACHED? Is the Contractor's Form W-9 Filed with Accounts?
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COMPLETE FOR ALL AMENDMENTS (only)	Funding Certification
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	Base Contract & Prior Amendments	This Amendment ONLY	
END DATE →			Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.
FY:			
FY:			
FY:			
FY:			
FY:			
Total:			

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